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Message Text

SECRET

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17
ACTION SS-25

INFO OCT-01 ISO-00 /026 W
---------- 089292
R 100400Z FEB 75
FM AMEMBASSY RANGOON
TO SECSTATE WASHDC 9132
INFO AMEMBASSY VIENTIANE
AMEMBASSY BANGKOK
AMCONSUL HONG KONG

S E C R E T SECTION 1 OF 2 RANGOON 0329

EXDIS

E.O. 11652: XGDS-2
TAGS: SNAR, BM, TH
SUBJECT: NARCOTICS - NEW SHAN PROPOSAL

REF: (A) BANGKOK 2001; (B) RANGOON 197

1. SUMMARY: COWELL'S LATEST PROPOSAL (REF A), WHILE SUFFICIENTLY LESS GROTESQUE THAN EARLIER ONES TO MERIT SOME FURTHER EXPLORATION CONTAINS MANY UNANSWERED QUESTIONS AND INCONSISTENCIES WITH USG POLICIES. WE WOULD LIKE TO STUDY TEXT OF PROPOSAL AS SOON AS A COPY IS AVAILABLE TO DEPT; IN MEANTIME WE HAVE IDENTIFIED SEVERAL ASPECTS OF PROPOSAL WHICH OUGHT TO BE CLEARED UP IF THIS IS NOT DONE BY FULL TEXT. AFTER WE (AND THE DEPARTMENT) HAVE HAD A CHANCE TO STUDY THE PROPOSAL IN DETAIL, I RECOMMEND THAT I BE AUTHORIZED TO TELL THE GUB ABOUT THE PROPOSAL, SIMULTANEOUSLY ASSURING GUB THAT USG WILL OF COURSE CONTINUE TO REJECT IT, UNLESS GUB SEES SOME WAY IN WHICH THE SUA/SSA APPROACH COULD BE TURNED TO OUR MUTUAL ADVANTAGE BY ENCOURAGING A SETTLEMENT BETWEEN DISSIDENTS AND GUB. END SUMMARY.

2. AS COMPARED TO EARLIER SSA PROPOSALS, COWELL'S LATEST PLAN SEEMS TO US TO REPRESENT SOME ADVANTAGE. IT RECOGNIZES THAT CONCRETE ACTIONS ON THE PART OF THE TRAFFICKERS WOULD BE A PRE-REQUISITE FOR UG EXPENDITURES OR ACTIONS. MORE IMPORTANTLY, THE ASSOCIATION OF SUA AND HYPOTHETICALLY THE KIA WITH THE SCHEME
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REPRESENTS, AS POINTED OUT REFTEL, A CONSIDERABLY MORE VIALBLE

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FORCE THAN SSA AND ITS NEGLIGIBLE ALLIES. AT SAME TIME, THE PROPOSAL IS STILL OPEN TO SEVERAL SERIOUS OBJECTIONS, NOTABLY ITS FAILURE TO TAKE INTO ACCOUNT THE REACTIONS OF STRONGEST SINGLE FORCE IN SHAN STATE, THE GUB.

3. LIMITED AS ARE THE CAPABILITIES OF GUB FORCES IN THE SHAN STATE, THEY STILL EXCEED THOSE OF ANY EXISTING OR HYPOTHETICALLY TRAFFICKING GROUP. RECOGNIZING THIS, WE HAVE CONCLUDED AND UNFDAC IS NEGOTIATING AGREEMENTS WITH THE GUB ON PROGRAMS WHICH WILL FURTHER STRENGTHEN ITS CAPABILITIES, NOTABLY BY THE DELIVERY OF HELICOPTERS AND THE PROVISION OF NECESSARY IMPUTS FOR A CROP SUBSTITUTION PROGRAM. AT PRESENT, NOTWITHSTANDING HEAVY BCP MILITARY PRESSURE IN NORTH AND EAST, TWO BURMA ARMY COLUMNS ARE OPERATING AGAINST TRAFFICKERS IN THE SOUTHERN SHAN STATE, AND HAVE HAD SOME SUCCESS IN DISRUPTING CARAVANS.

4. COWELL'S PLAN IS THAT WE SHOULD INSTEAD INVEST AT LEAST $15-20 MILLION A YEAR, FOR AN INDEFINITE PERIOD, IN SUPPORTING A LOOSE ALLIANCE OF INSURGENT GROUPS, WHO ARE NOW REALISTIC ENOUGH TO CONCEDE THAT A SIGNIFICANT AMOUNT OF OPIUM WOULD STILL FIND ITS WAY PAST THEM. SINCE IT MAKES NO SENSE TO FINANCE BOTH THE COPS AND THE ROBBERS, THE IMPLICATION IS THAT WE WOULD RENEGE ON OUR COMMITMENT TO GUB AND CALL INTO QUESTION THAT ANTI-NARCOTICS ACTION WHICH IT IS CURRENTLY TAKING. BEFORE CONSIDERING ANY SUCH STEPS, IT IS ESSENTIAL THAT WE GIVE THE MOST CAREFUL SCRUTINY TO THE CAPABILITIES AND FUTURE COURSES OF ACTION OF THE ROBBERS.

5. TO BEGIN WITH, COWELL'S PLAN AS SUMMARIZED REF A CONTAINS SEVERAL IMPORTANT OMISSIONS OR UNANSWERED QUESTIONS. UNLESS THESE ARE CLARIFIED BY THE FULL TEXT, CONGRESSMAN WOLFF, IF HE IS WILLING TO COOPERATE, COULD USEFULLY QUESTION COWELL CLOSELY ALONG FOLLOWING LINES: (A) WHAT PRECISELY IS HIS BASIS FOR ASSERTING THAT THE KIA WILL "BE BROUGHT INTO THE AGREEMENT AT A LATER DATE"? WHAT GUARANTEE CAN HE AND SUA GIVE US AS TO KIA COOPERATION? FYI IT SEEMS TO US NOT UNLIKELY THAT KIA WOULD BE INTERESTED IN SUCH A SCHEME. END FYI. (B) EXACTLY WHAT AREAS DO SUA AND SSA CLAIM AS "UNDER THEIR CONTROL" OR "AREAS OF OPERATION"? WHAT IS THE DIFFERENCE BETWEEN THESE TWO CONCEPTS? TO WHAT EXTENT DO THESE AREAS CHANGE? WOULD SUA/SSA GUARANTEE THE SECURITY OF ANY OUTSIDE OBSERVERS? AS TOKEN OF SERIOUS PUR-
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POSE, WOULD THEY BE PREPARED PRIOR TO CONCLUSION OF ANY AGREEMENT TO ESCORT OUTSIDE OBSERVERS (PROBABLY NON-U.S.) TO SPECIFIED POINTS INCLUDING LOCATIONS OF KNOWN OR SUSPECTED REFINERIES? (C) OVER HOW LONG A PERIOD OF TIME WOULD THIS PREEMPTIVE BUYING BE EXPECTED TO CONTINUE? HOW MUCH "BASIC SOCIO-ECONOMIC RESEARCH" WOULD BE REQUIRED FOR THE DEVELOPMENT OF A CROP SUBSTITUTE PROGRAM? (D) EXACTLY WHAT KIND OF U.S. ASSISTANCE" DO THEY HAVE IN MIND IN ENFORCING THEIR BAN ON THE OPIUM "BLACK MARKET"? (E)

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FROM AVAILABLE EVIDENCE, PROBABLY ONE-HALF OF OPIUM CROP IS CONTROLLED NEITHER BY SSA/SUA/KIA NOR GUB. HOW WOULD COWELL'S FRIENDS PROPOSE TO CONTROL THAT MOVED OR GROWN IN AREAS CONTROLLED BY BCP AND CIF/SURA? IF THE U.S. OR SOME OTHER OUTSIDE ELEMENT WERE TO BUY OPIUM ALONG LINES OF COWELL'S PLAN, WHAT WORKABLE PROPOSALS WOULD SUA/SSA BE PREPARED TO MAKE FOR COOPERATION OR A SETTLEMENT WITH GUB? IN SHORT, WHAT WOULD THEY DO TO MAKE IT POSSIBLE FOR US TO BUY OUR WAY INTO A NARCOTICS ENFORCEMENT PROGRAM INSTEAD OF A CIVIL WAR?

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ACTION SS-25

INFO OCT-01 ISO-00 /026 W
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R 100400Z FEB 75
FM AMEMBASSY RANGOON
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6. AS THE FINAL QUESTION ABOVE SUGGEST, WE SEE A FAINT POSSIBILITY THAT COWELL'S PROPOSAL COULD BE VIABLE IF IT COULD BE ADAPTED INTO A FORM OF COOPERATION BETWEEN MERCENARY DISSIDENTS ---NOTABLY THE SUA AND GUB. IT IS NOT LIKELY THAT THIS WOULD BE ACCEPTABLE TO EITHER PARTY, BUT THERE ARE AT LEAST A FEW FACTORS WHICH MIGHT LEAD BOTH TO CONSIDER SUCH A SETTLEMENT. ON THE SUA/SSA SIDE, THERE IS THE EFFECT OF QUARRELS AMONG TRAFFICKERS AND OF BURMESE SUPPRESSION EFFORTS (REF A PARA 10); MOREOVER, IF SUA IS WILLING FOR A FINANCIAL INDUCEMENT TO LIMIT ITS TRAFFICKING ACTIVITIES, IT MIGHT BE PREPARED ALSO, FOR A CONSIDERATION, TO BE BOUGHT OVER BY GUB.

7. WHEN WE HAVE HAD AN OPPORTUNITY TO STUDY COWELL'S PROPOSAL AS WELL, HOPEFULLY, AS THE DEPARTMENT'S REACTION TO IT, I SHALL WISH TO DISCUSS IT WITH GUB, CONTINUING OUR PRACTICE (REF B) OF KEEPING GUB INFORMED OF CONGRESSMAN WOLFF'S ACTIVITIES. IT WOULD

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HARDLY BE POSSIBLE, CONSISTENT WITH ANY NORMAL CONCEPT OF FRIEND-
LY RELATIONS, TO TELL THE GUB OF THE APPROACH WITHOUT SIMULTAN-
EOUSLY DISASSOCIATING THE USG FROM IT. UNLESS, THAT IS, WE
MIGHT PLAUSIBLY REPRESENT THE PROPOSAL AS RECONCILABLE WITH GUB
INTERESTS. FORTUNATELY, IT WOULD NOT BE IMPOSSIBLE TO DO DO.
THERE IS IN FACT AT LEAST A REMOTE POSSIBILITY THAT THE INCREASING
PRESSURE FROM THE BCP, THE GROWING ECONOMIC STRAIN OF MILITARY
OPERATIONS AGAINST INSURGENT GROUPS, AND THE CHAOTIC SITUATION IN
SHAN STATE, MIGHT LEAD GUB TO CONSIDER PROPOSALS FOR A SETTLE-
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MENT WHICH WOULD GIVE IT AT LEAST TEMPORARY SUPPORT OF CHANGI
SHU-CH'UAN AND HIS SUA BRIGANDS.

8. ACTION REQUESTED: WE WOULD APPRECIATE A COPY OF THE LATEST
COWELL PROPOSAL AS SOON AS AVAILABLE, TOGETHER WITH THE DEPART-
MENT'S VIEWS AND ANY FURTHER COMMENTS WHICH EMBASSY BANGKOK MAY
HAVE. AT SAME TIME, REQUEST INSTRUCTIONS TO DISCUSS PROPOSAL
WITH GUB AS OUTLINED ABOVE.
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